



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

ALLIED MEDICAL CENTERS

Respondent Name

EAST TX EDUCATIONAL INS ASSN

MFDR Tracking Number

M4-11-2288-01

Carrier's Austin Representative

Box Number 17

MFDR Date Received

MARCH 8, 2011

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Attached is a copy of the Pre-Authorization. Please note the start and end date. Our charges are well within the pre-auth period."

Amount in Dispute: \$280.00

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Upon review of the file, it has been determined that the bill for date of service 07/01/2010 was processed correctly. On June 25, 2010 our office received the preauthorization number 18530PA. This authorization was a partial authorization to the requested treatment. The provider requested 6 physical therapy sessions, 3x a week x 2 weeks for CPT codes 97110, 97112, 97116, 97124, and 97140. The authorization approved 4 physical therapy session, no more than 4 units per session for the requested CPT codes. We received the original bill on 08/24/2010. The auditor allowed 3 units for CPT 97110 and 1 unit for 97140 and 0 units for 97112. Payment was issued in the amount of \$72.56 on 09/08/2010."

Response Submitted By: Claims Administrative Services, Inc.

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 1, 2010	CPT Code 97110-GP (x3) Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility	\$168.00	\$74.61
	CPT Code 97112-GP Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities	\$56.00	\$0.00
	CPT Code 97140-GP Manual therapy techniques (eg, mobilization/manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes	\$56.00	\$23.63
TOTAL		\$280.00	\$98.24

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307, effective May 25, 2008, sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.600, effective May 2, 2006, requires preauthorization for specific treatments and services.
3. 28 Texas Administrative Code §134.203 effective March 1, 2008, sets the reimbursement guidelines for the disputed service.
4. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - Exceeds authorized maximum 4 units per session.
 - 148-This procedure on this date was previously reviewed.
 - 18-Duplicate claim/service.
 - This is an additional recommendation for bill 1101052
 - Payment issued on 9/15/10 in the amt of 72.56 check number 7777 partial prior payments on: 1101042=\$55.53.

Issues

1. Does a preauthorization issue exist?
2. Is the requestor entitled to additional reimbursement?

Findings

According to the explanation of benefits, the respondent denied reimbursement for the disputed physical therapy services, CPT codes 97110-GP, 97112-GP and 97140-GP, based upon a lack of preauthorization.

28 Texas Administrative Code §134.600(p)(5), requires preauthorization for “ physical and occupational therapy services.”

The requestor contends that preauthorization was obtained and payment is due. In support of their position the requestor submitted a copy of a preauthorization report dated June 25, 2010. This report indicates that the requestor obtained preauthorization approval for “no more than 4 units per session of the following modalities, 97110 therapeutic exercises, 97112 neuromuscular re-education, 97116 gait training therapy, 97124 massage therapy, 97140 manual therapy.”

The respondent argues that a preauthorization issue exists because the requestor exceeded the number of units approved and that payment of \$72.56 was issued; therefore, no reimbursement is due.

The Division finds that the submitted documentation supports that the requestor obtained preauthorization for four (4) units per session.

28 Texas Administrative Code §134.203(a)(5), states “‘Medicare payment policies’ when used in this section, shall mean reimbursement methodologies, models, and values or weights including its coding, billing, and reporting payment policies as set forth in the Centers for Medicare and Medicaid Services (CMS) payment policies specific to Medicare.”

28 Texas Administrative Code §134.203 (b)(1) states “ For coding, billing, reporting, and reimbursement of professional medical services, Texas workers' compensation system participants shall apply the following:
(1) Medicare payment policies, including its coding; billing; correct coding initiatives (CCI) edits; modifiers; bonus payments for health professional shortage areas (HPSAs) and physician scarcity areas (PSAs); and other payment policies in effect on the date a service is provided with any additions or exceptions in the rules

To clarify what a “unit” means, the Division referred to the following references published by the Centers for Medicare & Medicaid Services (CMS) :

- Medicare Claims Processing Manual, Chapter 5, Part B Outpatient Rehabilitation, publication 100-04, states “When reporting service units for HCPCS codes where the procedure is not defined by a

specific timeframe (“untimed” HCPCS), the provider enters “1” in the field labeled units. For untimed codes, units are reported based on the number of times the procedure is performed, as described in the HCPCS code definition (often once per day)... Several CPT codes used for therapy modalities, procedures, and tests and measurements specify that the direct (one on one) time spent in patient contact is 15 minutes. Providers report procedure codes for services delivered on **any single calendar day** using CPT codes and the appropriate number of 15 minute units of service.”

Based upon CMS’s definition of units, CPT codes 97110, 97112, and 97140 equal one unit for each 15-minute of treatment. The requestor billed for 97110-GP(X3), 97112-GP(X1) and 97140(GP(x1) for a total of 5 units. Based upon the preauthorization report and billing, the requestor exceeded the preauthorization approval.

2. The respondent states that the requestor was paid for three (3) units of 97110 and one (1) unit of 97140. No reimbursement was made for code 97112 because it exceeded the preauthorization approval. The Division reviewed the fee guideline to determine if the requestor was paid in accordance with the Division rules and guidelines.

Per 28 Texas Administrative Code §134.203(c)(1)(2), “To determine the MAR for professional services, system participants shall apply the Medicare payment policies with minimal modifications.

(1) For service categories of Evaluation & Management, General Medicine, Physical Medicine and Rehabilitation, Radiology, Pathology, Anesthesia, and Surgery when performed in an office setting, the established conversion factor to be applied is \$52.83. For Surgery when performed in a facility setting, the established conversion factor to be applied is \$66.32.

(2) The conversion factors listed in paragraph (1) of this subsection shall be the conversion factors for calendar year 2008. Subsequent year’s conversion factors shall be determined by applying the annual percentage adjustment of the Medicare Economic Index (MEI) to the previous year’s conversion factors, and shall be effective January 1st of the new calendar year. The following hypothetical example illustrates this annual adjustment activity if the Division had been using this MEI annual percentage adjustment: The 2006 Division conversion factor of \$50.83 (with the exception of surgery) would have been multiplied by the 2007 MEI annual percentage increase of 2.1 percent, resulting in the \$51.90 (with the exception of surgery) Division conversion factor in 2007.”

To determine the MAR the following formula is used: (DWC Conversion Factor/Medicare Conversion Factor) X Participating Amount = Maximum Allowable Reimbursement (MAR).

The 2010 DWC conversion factor for this service is 54.32.

The Medicare Conversion Factor is 36.8729

Review of Box 32 on the CMS-1500 the services were rendered in Houston, Texas; therefore, the Medicare participating amount is based upon the locality of “Houston, Texas”.

Using the above formula the Division finds:

Code	Medicare Participating Amount	MAR	Amount Paid	Amount Due
97110	\$29.45	\$43.38/unit X 3 = \$130.14	\$55.53	\$74.61
97140	\$27.60	\$40.66	\$17.03	\$23.63

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$98.24.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$98.24 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____ Signature	_____ Medical Fee Dispute Resolution Officer	05/09/2014 _____ Date
--------------------	-------------------------------------------------	-----------------------------

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.